

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SAB-02 AID-05 EB-07 CIAE-00 DODE-00
PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01
PRS-01 SP-02 SS-15 USIA-06 TRSE-00 /070 W
-----062112Z 056470 /73

P 061946Z MAY 77
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC PRIORITY 1803

C O N F I D E N T I A L PANAMA 3251

E.O. 11652: GDS
TAGS: EFRS, PN
SUBJECT: BOSTON-PANAMA (B-P) CASE

REF: (A) PANOS/NADEAU TELCON APRIL 27; (B) PANAMA 7369 10/28/76

SUMMARY. THE AMBASSADOR AND B-P REPRESENTATIVES MET WITH
GOP PRESIDENT LAKAS MAY 3. LATTER ARRANGED FOR B-P REPRESENTA-
TIVES TO MEET WITH OTHER RANKING GOP OFFICIALS CONCERNED MAY 4
IN EFFORT TO SOLVE CASE AMICABLY. OUTCOME WAS NEGATIVE RESPONSE
FROM GENERAL TORRIJOS ON MAY 5. B-P REPS HOPED TO MEET
WITH PRESIDENT LAKAS BEFORE THEIR SCHEDULED DEPARTURE MAY 6.
THEY LOOKED FORWARD TO MEETING FURTHER WITH DEPARTMENT REPS
CONCERNED MAY 10. IT WAS THEIR BELIEF THAT GENERAL'S DECISION
RATHER POLITICAL AND THAT DOOR STILL OPEN FOR MORE TALKS WITH
GOP. END SUMMARY.

1. AMBASSADOR'S SCHEDULED APPOINTMENT WITH PRESIDENT LAKAS
ON MAY 3 WAS ATTENDED BY D. F. ANTONELLI, JR., ONE OF B-P'S
PRINCIPAL SHAREHOLDERS, ULYSSES AUGUS, ANTONELLI'S BUSINESS
ASSOCIATE, JACK HELLER, B-P'S ATTORNEY, AND EMBASSY'S COMM
COUNSELOR. FYI: ANTONELLI PARTNER IN "INDUSTRIAS PANAMA BOSTON
S.A., (PABO)," WELL-ESTABLISHED CORPORATION MANUFACTURING
VEGETABLE OILS, VEGETABLE SHORTENING, DETERGENTS AND TOILET
SOAPS.

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2. PRESIDENT LAKAS AGREED THAT SUBJECT CASE HAD BEEN KICKED
AROUND FOR A LONG TIME AND THAT GOP OWED B-P A SOLUTION OF SOME
SORT. TO THIS END HE ASKED B-P REPS TO MEET WITH GOP'S LEGAL
ADVISORS AND OTHER PARTIES CONCERNED AT THE PRESIDENCY'S
CONFERENCE ROOM THE FOLLOWING DAY. MEETING WAS TO BE CHAIRED BY
FERNANDO MANFREDO, PRESIDENCY MINISTER. THE PRESIDENT

MENTIONED HE LOOKED FORWARD TO ANOTHER MEETING WITH B-P REPS BEFORE THEIR DEPARTURE.

3. ON AFTERNOON MAY 4, HELLER REPORTED THAT MORNING SESSION WENT OFF QUITE WELL THANKS TO MANFREDO'S FAMILIARITY WITH B-P'S PAST HISTORY. LIC. DORA RELUZ, PRESIDENCY'S LEGAL ADVISOR, WAS THE ONLY PARTICIPANT. HELLER INDICATED THAT HE LET PANAMANIAN KNOW OF B-P'S DESIRE TO SOLVE THE PROBLEM QUIETLY AND TO BE FLEXIBLE TO WHATEVER SOLUTION PROPOSED BY GOP. MEETING ENDED WITH MANFREDO'S PROMISE TO MEET WITH GENERAL TORRIJOS VERY SHORTLY AND COME UP WITH A FINAL DECISION THE FOLLOWING DAY AT THE LATEST.

4. HELLER REPORTED LATE AFTERNOON MAY 5 THAT MANFREDO CAME BACK WITH A "FLAT NO" RESPONSE FROM THE GENERAL AND THAT THE PRESIDENT AND GOP FOREIGN RELATIONS MINISTER GONZALEA-REVILLA CONCURRED WITH GENERAL'S DECISION. HELLER BELIEVED GENERAL'S DECISION POLITICALLY MOTIVATED. HE QUESTIONED MANFREDO'S REPORT ON PRESIDENT'S REACTION AND STILL BELIEVED IT HIGHLY ADVISABLE TO CONTINUE USING THE LINE OF COMMUNICATION OPENED BY PRESIDENT LAKAS. HELLER ALSO SAID HE CONTACTED B-P'S FORMER ATTORNEY, DR. CARLOS LOPEZ GUEVARA, WHO THOUGHT B-P'S PRESENT STANCE WAS THE RIGHT APPROACH. HE AND ANTONELLI HOPED TO MEET WITH THE PRESIDENT PRIOR TO THEIR SCHEDULED DEPARTURE MAY 6.

6. EMBASSY COMMENTS: HELLER AS NOT VERY SANGUINE ABOUT HIS SEEING PRESIDENT LAKAS BEFORE LEAVING. HOWEVER, HE APPEARED RELAXED AND WAS RECEPTIVE TO OUR SUGGESTION THAT HE PURSUE B-P'S CONFIDENTIAL

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CASE WITH NEWLY APPOINTED GOP AMBASSADOR GABRIEL LEWIS GALINDO. LATTER VERY CLOSE TO TORRIJOS. HELLER POINTED OUT HIS CLIENT MAY ALSO SEEK ASSISTANCE FROM CONGRESSMEN FAVORABLY DISPOSED TOWARD PANAMA IN EFFORT TO SOLVE CASE QUIETLY AND AMICABLY. HE BELIEVED B-P INTERESTS WOULD NOT BE BEST SERVED BY PARTICIPATION CANAL TREATY OPPONENTS.

6. ACTION REQUESTED: HELLER SAID MORNING MAY 6 MAY TURN OUT TO BE A RUSH JOB FOR THE AIRPORT. THEREFORE, HE MAY NOT BE ABLE TO BRIEF US ANY FURTHER OF OUTCOME HIS EFFORTS TO MEET PRESIDENT LAKAS. THEREFORE, HE WOULD APPRECIATE MEETING WITH ARA/PAN OFFICERS CONCERNED BY MAY 10. WE REQUEST THAT THE AMBASSADOR BE INFORMED ACCORDINGLY. WE UNDERSTAND GOP PLANNING & ECONOMIC POLICY MINISTER BARLETTA WILL ALSO BE IN WASHINGTON. HIS PARTICIPATING IN ANY DEPARTMENT MEETING COULD BE BENEFICIAL AS WELL.
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